

SCENTSY STANDARDS

INDEPENDENT CONSULTANT AGREEMENT

UNITED STATES

01/2018

INTRODUCTION

CONGRATULATIONS!

You've taken the first step in your journey as an Independent Scentsy Consultant, and we are so excited for you! Welcome to the family!

The Agreement

Becoming a Consultant means you are entering into a legally binding business relationship with Scentsy, Inc. The Independent Consultant Agreement (in short, "Agreement") is between an Independent Scentsy Consultant (that's "you"!) and Scentsy, Inc. ("Scentsy").

Since this is a legal contract, we have to include some legalese (mostly in Chapter 5: Terms and Conditions). To help you follow along, here is a brief rundown of what is included in the Agreement and an explanation of a few terms:

The Agreement contains Scentsy's Standards, which define the fundamental requirements and procedures, expected behaviors and acceptable activities as you share Scentsy's products and opportunity with others. Compliance with these Standards will help you operate your Scentsy business in a healthy and ethical manner. The Agreement also includes the Compensation Plan, which defines the Commission and Bonus structure — basically, how you get paid. When you enroll as an Independent Scentsy Consultant, you are agreeing to comply with the Agreement.

You may come across a few terms in this Agreement that are new to you. If the term is capitalized, check out its definition in Chapter 6: Definitions.

Your rights

As a Current Independent Scentsy Consultant in good standing, you have the right to:

- Sell Scentsy products;
- Participate in the Scentsy Compensation Plan;
- Recruit and sponsor other Consultants (i.e., build your Downline);
- Receive official Scentsy communications;
- Access Scentsy-sponsored support, training and recognition;
- Participate in Scentsy-sponsored promotional and incentive contests and programs;
- Access an online Consultant Workstation that facilitates and records your business interactions with Scentsy;
- Contact Consultant Support by submitting a Support Ticket (through your Consultant Workstation), calling (877-855-0617) or emailing (support@scentsy.com); and
- Brag! You are a Scentsy Consultant!

The spirit and intent of the Agreement

Where specific Standards are not already established, Scentsy refers to the spirit and intent of this Agreement, which are to:

- Protect your right and ability to operate as an Independent Scentsy Consultant;
- Protect Scentsy's assets and interests;
- Protect the opportunity for all current and prospective Consultants;
- Promote healthy business activities and relationships; and
- Contribute to the Mission, Vision and Values of Scentsy.

CHAPTER 1: ACCOUNT OPERATIONS

This chapter is mostly procedural. It covers all of the ins and outs of establishing and maintaining an Account. We'll walk you through everything you need to know from enrollment to cancellation: orders and deliveries, warranties and returns, and even international sales and sponsoring.

Section 1: ESTABLISHING A CONSULTANT ACCOUNT

Eligibility requirements

A. To enroll, you must:

- Be of the legal age of majority in your state of residence;
- Be a legal resident of the United States or U.S. territories;
- Have a legal right to work in the United States;
- Submit a valid tax identification number, such as your Social Security number (SSN) or your Individual Taxpayer Identification Number (ITIN);
- Provide the individual name as it appears on your Social Security card or Individual Taxpayer Identification Number card; and
- Purchase a Starter Kit (except for North Dakota residents).

B. You and those with a Beneficial Interest in your Account (including your Immediate Household) may NOT:

- Already have a Beneficial Interest in a Scentsy Consultant Account — unless a second Account is inherited or acquired after the marriage of two Consultants whose Accounts were established prior to marriage;
- Be a Principal Member of another direct selling company;
- Be a current employee of Scentsy (effective Oct. 1, 2009); and/or
- Have been an employee of Scentsy within the last three (3) years, unless you have received prior written permission.

C. Scentsy, at its sole and absolute discretion, reserves the right to reject any new enrollment for any reason.

Account types

- A. Individual Accounts may be owned and operated only by a single individual or married couple.
- B. Business Entity Accounts may be owned and operated by a business entity. An Employer Identification Number (EIN) and Articles of Incorporation or other officially filed document is required. Commission payments are allocated to the business entity.

Section 2: ACCOUNT MAINTENANCE

Account information

You are responsible for maintaining your Account with current and accurate information. Scentsy is not liable for delays or damages due to incorrect information on your Account.

Account changes

Address, email, telephone: You can update this information on your own through your Consultant Workstation. *Piece of cake!*

Legal name: To change your name, you need to email accountservices@scentsy.com. Make sure your name matches your Tax ID.

Country of residence: If you move outside the United States, you need to submit a completed Consultant Country of Residence Change form. This form is required when you relocate to another country, unless you are relocating to a military base.

Formation or breakup of Business Entity*†‡: Submit a Business Entity Registration form.

Sponsorship: The Consultant under whom you enrolled as a Scentsy Consultant is your Sponsor. Scentsy does not allow Sponsor changes except under qualifying circumstances or during Reinstatement. If you are requesting a change in Sponsor, email compliance@scentsy.com.

Sale or transfer: If you are retiring from direct selling, submit a Downline Transfer Application & Request form. These requests are granted at Scentsy's sole and absolute discretion.

Passing of Consultant: Your account will be suspended until we receive benefactor information. If we do not receive benefactor information, we will cancel your account three months after the date of suspension.

Pass to heir or beneficiary†: If you want to assign an heir or beneficiary to inherit your Scentsy business, you must email accountservices@scentsy.com and be prepared to provide a court order, copy of the notarized will or other instrument establishing the beneficiary's right to the Scentsy Account. The beneficiary must also complete an Agreement.

Divorce†‡: Email accountservices@scentsy.com to remove a co-applicant.

*Tax ID changes may require a change fee.

† Scentsy will not divide Volumes or Commissions on an Account.

‡ A departing spouse or business entity member may open a new Account under the same Sponsor at any time, or open an Account under a different Sponsor six (6) months after being removed from the Account. Through this transition, if you fail to provide for the best interests of Scentsy, other Scentsy Consultants or Customers, Scentsy may, at its sole and absolute discretion, cancel your Account.

Assignment of rights

You may not assign any rights under the Agreement without first obtaining written authorization, which is granted or denied at Scentsy's sole and absolute discretion. If authorization is granted, the transferee of the Account will assume your position and all obligations, including any outstanding debts.

Section 3: ORDERS

Pricing, Personal Retail Volume (PRV) and sales tax

Shipping costs, product prices and Personal Retail Volume (PRV) are subject to change at any time and without advance notice to you. Scentsy reserves the right to reject or cancel orders for any reason.

All orders that you submit (excluding orders for Customers marked in your Workstation as tax-exempt by Scentsy) will include applicable sales tax. Scentsy will collect and remit sales taxes on your behalf, according to applicable tax rates in the state, county and/or municipality to where the order is shipped.

Insufficient funds and credit card disputes

It is your responsibility to ensure there are sufficient funds to cover orders you submit. If sufficient funds are not available, your order will not be fulfilled and no PRV will be awarded. If credit card charges are disputed on an order placed through your Personal Website (PWS), Corporate Website (CWS) or Consultant Workstation, Scentsy may recoup those charges by withholding or deducting Commissions. In the event that commissions are not available, you are responsible to reimburse Scentsy.

Warranties, guarantees and returns

- A. Warranty: Scentsy product warranties are contained in the product packaging. If your customer has a warranty claim, they may contact consultant support to initiate the warranty replacement process. If you alter or use Scentsy products in any way other than as specified in Scentsy instructions, Scentsy is not liable for any resulting damages and any product warranties are void.
- B. Damaged items and shipping errors: Report shipping errors and items damaged during shipment to Scentsy within 10 business days of confirmed delivery of shipment.
- C. Satisfaction Guarantee: Unless otherwise specified, all Scentsy products come with a guarantee of satisfaction. *Sweet!* You are bound to honor the satisfaction guarantee for your Customers for items returned within 30 days from the date they are delivered to the Customer. Scentsy will assist by processing an Exchange in these circumstances with the following conditions:
 - Durable products must be Resalable. Consumable products do not need to be Resalable.
 - Certain items (such as Starter Kits, monthly subscriptions, awards, personalized business tools, etc.) are not eligible for Exchange.
 - You are allotted an annual PRV limit, based on your Title, for Exchanges.

D. Return of inventory: If your Account is cancelled, you may return Resalable Inventory on Hand, including Scentsy Family Store items, for a refund. Refunds will be determined as follows:

- When you return Resalable inventory, Scentsy will refund you 100 percent of your original purchase cost, less shipping charges and less any Commissions, Bonuses and other incentives you have received associated with the returned items.
- You may cancel your Consultant Agreement within 15 days from your enrollment date and return your Starter Kit for a full refund, Resalable or not.

Obligations to Customer

A. Order placement: Submit all home party orders to Scentsy through your Consultant Workstation within five (5) days from the date the order was given to you. Close all basket and online parties within 14 days of opening, and submit all orders from basket and online parties within five (5) days of closing. *Simply put, don't make your Customers wait!*

B. Sales receipts: When you make a non-PWS sale, provide your Customer with two (2) copies of the sales receipt: one at the time of order and the other at the time of delivery. Retain a copy of all sales receipts and make them available to Scentsy upon request for a period of two (2) years after the sale. All sales receipts, for all payment types, must include:

- Date of the transaction;
- Your name and address (as the selling Consultant);
- Customer's signature; and
- The last day of your Customer's right of cancellation — three (3) business days after the date of transaction. Verbally inform your Customers of the three-day right of cancellation printed on the receipt.

C. Upon delivery of an order to a Customer, immediately destroy all documents in your possession containing your Customer's credit card information. Do NOT retain any Customer's credit card information after delivery of an order to the Customer for any reason. Safeguard your Customer's credit card information any time it is provided to you. Do NOT copy, distribute or allow another person access to a Customer's credit card or information.

- D. Delivery: Deliver party orders to Customers within five (5) days of you or your Host receiving them. *The sooner your Customers receive their products, the sooner they will need to re-order!*
- E. Customer service: Set reasonable expectations regarding the products, pricing and delivery for your Customers. Deal fairly and honestly. Loyalty from your Customers is earned by YOU and not guaranteed by Scentsy.

Obligations to Host

- A. Setting expectations: Set reasonable and accurate expectations related to your Host's role, benchmarks and rewards for the Host's party and follow through on any promises you make or arrangements you agreed to with a party Host. *Set yourself up for repeat Hosts!*
- B. Host Rewards fee: When you close a qualifying party, be sure to redeem all half-price items earned through Host Rewards or you will be subject to a Host Rewards fee on the order.

Shipping

- A. Shipping times: With distribution centers strategically located worldwide, *Scentsy shipping rocks!* Orders are generally shipped within just a few business days, but may take up to 10 business days from the date your order is submitted and payment is received. This timeline is not guaranteed. If an item is not in stock, it will be placed on backorder and shipped when Scentsy receives it. If a backordered item is not expected to ship within 30 days from the date your order is received, you may cancel the backordered item and request a refund or a Product Credit, or you may request an Exchange. If a refund or Product Credit is requested and issued, your PRV will be decreased by that amount for the month in which the refund or credit is applied.
- B. APO/FPO: Scentsy will ship party orders to APO/FPO addresses, within certain ZIP codes, through the Military Postal Service (MPS). You must comply with all MPS regulations, including, but not limited to:
- Items shipped through the MPS may not be resold; and
 - An MPS address may not be set as the default address for a Scentsy party.

Section 4: SPONSORING

Recruiting and sponsoring

You may recruit and Sponsor new Consultants in any country where Scentsy is in business. You must have an active PWS for anyone to enroll with you as their Sponsor.

Responsibility to Frontline

Set reasonable expectations with your Frontline regarding the opportunity, products and requirements for establishing and maintaining an Account. Take a proactive role in providing assistance and training, and make yourself available as the first point of contact for your Frontline. Encourage and empower your Frontline to do the same for their Frontline.

Non-sponsoring Consultants

If you'd rather not take on the responsibility of assisting and training Downline Consultants, you may elect to be a non-sponsoring Consultant by emailing accountservices@scentsy.com. As a non-sponsoring Consultant, your Title will not advance beyond Certified Consultant, you waive your right to Sponsor new Consultants, and your Downline will permanently Roll Up. If, at some point, you change your mind, email accountservices@scentsy.com to request to begin sponsoring again.

Section 5: CANCELLATIONS AND SUSPENSIONS

Cancellations

Your Account may be cancelled in any of the following ways:

- A. Voluntary cancellation: You may cancel your Consultant Account at any time and for any reason by submitting a written request to accountservices@scentsy.com.
- B. Cancellation due to Inactivity: If you are Inactive for any consecutive three-month period, your Current status will be removed from your Account. If you do not maintain Current status, your Account will be cancelled due to Inactivity. Account Cancellations due to Inactivity are effective on the first day of the month immediately after the three-month period of Inactivity.

- C. Involuntary cancellation: Any violation of the Agreement, including any subsequent amendments made by Scentsy, may result in disciplinary action, which could include, but is not limited to, an involuntary Account Cancellation. Additionally, Scentsy expressly reserves the right to cancel the Accounts of Scentsy Consultants upon 30 days written notice in the event that Scentsy elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products via direct selling.
- D. Upon cancellation of your Account, your former Downline will Roll Up, you waive all rights associated with being a Scentsy Consultant — including but not limited to property rights — to your former Downline organization and to any bonuses, commissions or other compensation derived through the sales and other activities of your former Downline organization, and you must immediately:
- Stop representing yourself as a Scentsy Consultant in any form;
 - Stop selling Scentsy products, including Inventory on Hand;
 - Stop conducting parties and fundraisers and participating in fairs or shows, including those scheduled prior to cancellation; and
 - Remove any External Websites from public view and redirect all traffic to scentsy.com.

Suspensions

Your Consultant Account may be suspended either voluntarily or involuntarily. During a Suspension, (1) your Downline and Title remain intact, (2) your Consultant Workstation and PWS are disabled, (3) all rights associated with being a Scentsy Consultant are temporarily revoked and (4) you must:

- Work with an Upline or Downline member to fulfill all pending orders;
- Make arrangements with your Upline Sponsor and/or Director to ensure uninterrupted support for your Downline;
- Stop selling Scentsy products, including Inventory on Hand;
- Stop leading official Team communications and/or trainings (unless otherwise authorized by Scentsy); and
- Stop conducting parties and fundraisers and participating in fairs or shows, including those scheduled prior to Suspension.

- A. Voluntary Suspension: If you have Extenuating Circumstances, you may request to voluntarily suspend your Account for up to three (3) months. At the conclusion of the voluntary suspension, you must achieve Active status in the month your account is reopened. The decision to grant a voluntary Suspension will be at Scentsy's sole and absolute discretion. To initiate a request for voluntary Suspension, email accountservices@scentsy.com. For foreign military service assignments, you may request a longer term voluntary Suspension.
- B. Involuntary Suspension: At Scentsy's sole and absolute discretion, your Account may be suspended during a Compliance review or as part of disciplinary action resulting from violations of the Agreement.

Reinstatements (*Welcome Back!*)

If your Account is cancelled and you wish to begin again as a Scentsy Consultant, email accountservices@scentsy.com to apply for an Account Reinstatement. Your Account may be reinstated only for good cause, which will be determined at the sole and absolute discretion of Scentsy. Accounts cancelled due to Inactivity may be reinstated three (3) months after the Account Cancellation. Accounts cancelled for any other reason may be reinstated six (6) months after the Account Cancellation. Accounts will be reinstated at the Title of Essential Consultant or Certified Consultant, depending on the Lifetime PRV of the Account. Accounts will NOT be reinstated with Downline. If your Account is approved for Reinstatement, you may choose any Sponsor. You must achieve Active status during the month of reinstatement or the month after your account is reinstated.

Restorations

If your Account is cancelled due to Inactivity, you may be restored with Downline only under Extenuating Circumstances and for good cause, both of which are determined at Scentsy's sole and absolute discretion. You are required to achieve Active status in the month that your account is restored. Submit Restoration requests to accountservices@scentsy.com.

Product Credits, Commissions and inventory

If your Account is cancelled for any reason:

- A. Any Product Credit on your Account will be forfeited.

- B. You will receive Bonuses and Commissions earned prior to the date of your Account Cancellation, less any amounts withheld for disciplinary reasons or due to product returns.
- C. You may return Resalable Inventory on Hand, including Scentsy Family Store items, for a refund. (See Chapter 1, Section 3.)

Section 6: INTERNATIONAL

International sales

- A. You may sell Scentsy products in any country in North America for which you have completed a country-specific International Sales Agreement. All sales in that country must be done in accordance with local laws and regulations. You may not bring products across international borders, personally or through a third-party shipper, with the intention of selling them.
- B. You may not sell Scentsy products outside of North America.
- C. You may enter into contracts with fairs, trade shows or other temporary sales events in any country for which you have signed a country-specific Sales and/or Sponsorship Agreement AND if you are a resident of that country.

International sponsoring

You may recruit, sponsor and be paid Commissions on Downline sales in any country in which:

- You have completed and maintained the International Sponsoring Agreement; and
- Scentsy has officially launched operations.

Pre-marketing

Once Scentsy has officially authorized pre-marketing in a country where Scentsy is scheduled to launch, you may begin networking and promoting the upcoming launch in that country. You may not hold large group meetings, sell Scentsy products or advertise

in countries that have not officially launched operations. *Feel free to brush up on the local language at any time!*

CHAPTER 2: COMPENSATION

You'll love this part — this is where we explain how you get paid! Hard work and perseverance, along with a clear understanding of Scentsy's Compensation Plan, will help you maximize your earnings and enjoy long-term success.

Section 1: Compensation Plan

COMPENSATION PLAN																
† Lifetime Personal Retail Volume; must be attained before rank advancement.	MONTHLY					TITLE										
	Personal Retail Volume (PRV)	Group Wholesale Volume (GWV)	Team Wholesale Volume (TWW)	Active Frontline Consultants	First Generation Directors	Commission from Personal Retail Volume	Bonus from Personal Wholesale Volume	Frontline Essential or Certified Consultant TWV Bonus	Frontline Lead Consultant TWV Bonus	Frontline Star Consultant TWV Bonus	Frontline SuperStar Consultant TWV Bonus	Frontline Director (Q) TWV Bonus	1st Generation Director TWV Bonus	2nd Generation Director TWV Bonus	3rd Generation Director TWV Bonus	
	SuperStar Director	500	80,000	10,000	3	4	25%	9%	9%	7%	5%	2%	3%	3%	4%	5%
	Star Director	500	30,000	6,000	3	2	25%	9%	9%	7%	5%	2%	3%	3%	4%	
	Director	500	10,000	2,000	3		25%	9%	9%	7%	5%	2%	3%	3%		
	SuperStar Consultant	500	6,000		3		25%	7%	7%	5%	3%					
	Star Consultant	500	2,500		2		25%	4%	4%	2%						
	Lead Consultant	500	1,000		1		25%	2%	2%							
	Certified Consultant	1,000*					25%									
	Essential Consultant						20%									
RANK	RESPONSIBILITIES					REWARDS										

Eligibility

You earn Commissions only through the sale of products. You may also earn Bonuses when you fulfill certain Volume benchmarks — as outlined in the Compensation Plan chart — and leadership responsibilities. Bonus eligibility is determined monthly and is contingent upon you meeting the Volume, Active Frontline and Leadership requirements for your Rank.

Adjustments

If a product is returned to Scentsy for a refund, Scentsy may recoup the Bonuses and Commissions you earned from that sale. Scentsy may also recoup any Bonuses, Commissions, awards, etc. attained through any misconduct by you or your Downline.

Timely reporting of errors

If you believe errors have been made regarding Commissions, Bonuses, charges or the placement of Consultants in your Downline organization, notify Scentsy in writing within 60 days of when the alleged error or incident occurred.

Section 2: DIRECTORS (STAR, SUPERSTAR OR OTHERWISE)

Leadership requirements

If you hold the Title of Director or above, you must meet minimum Volume requirements and leadership responsibilities to qualify for the Bonuses and Commissions outlined in the Compensation Plan.

Monthly Volume requirements

Minimum Volume requirements for each Title are defined in the Compensation Plan. As a Director, if you do not meet the minimum Director Volume requirements — including Personal Retail Volume (PRV), Team Wholesale Volume (TWV), Group Wholesale Volume (GWV) and Active Frontline — for three (3) consecutive months, your Title will be changed to Director (Q) on the first day of the fourth month. As a Director (Q), if you do not meet the Director Volume requirements for three (3) consecutive months, your Title will change to SuperStar Consultant on the first day of the fourth month. As a former Director, if at any time you meet the monthly Director Volume requirements, you will again be promoted to Director the following month.

Ongoing leadership

A. Stewardship: In addition to your responsibilities as a Sponsor, as a Director or above, you also have Stewardship for your Team and Downline members as follows:

- Director: You have Stewardship for your first Generation Directors and Star Directors in your Group.
- Star Director: You have Stewardship for the first and second Generation Directors and Star Directors in your Group.
- SuperStar Director: You have Stewardship for all Directors and Star Directors in your Group not under another SuperStar Director.

If you and someone in your Upline or Downline both have Stewardship for the same Downline Director, you should work together to fulfill leadership responsibilities for that Director. However, the primary Stewardship ultimately falls to the immediate Upline Director or above. It is acceptable for you to contact and communicate with those Directors in your Stewardship for whom you are not the immediate Upline Director.

B. Leadership responsibilities: You are responsible for providing assistance, training, regular communications and opportunities for Team interaction for those in your Stewardship. Upon request, you must be able to provide documented evidence to Scentsy of your fulfillment of leadership responsibilities.

Non-leadership Accounts (Director opt-out)

If you prefer not to take a leadership role — *it's OK, we won't judge you* — email accountservices@scentsy.com to opt out of becoming a Director. If you choose a non-leadership Account, your Title will be locked into your highest achieved Title, prior to Director, and no Director Bonuses will be paid. You may request to return to a leadership role, granted or denied at Scentsy's sole and absolute discretion. With a non-leadership account, your responsibilities as a Sponsor to your Frontline still apply.

If a Roll Up in your Downline would result in your promotion to Director or above, Scentsy, at its sole and absolute discretion, may:

- a) place your Account in non-leadership status until certain requirements are met and Scentsy is satisfied that you have earned and are prepared for a leadership role;
- b) cause those Downline members to Roll Up to your Sponsor; or
- c) allow the Roll Up and the promotion.

CHAPTER 3: MARKETING GUIDE

You may be wondering: “Who can I recruit, and to whom can I sell? What can I say (or do I have to say) in my ads? Where can I advertise? How can I differentiate myself in my marketing efforts?” Look no further! In this chapter, we’ll review “the who” (target audience), “the what” (ad content), “the where” (marketing channels) and “the how” (tactics) of marketing your Scentsy business. *Let’s get the word out!*

Section 1: TARGET AUDIENCE (WHO?)

Customers and prospective Consultants

You can promote Scentsy’s products and opportunity to anyone, with the following exclusions:

- A. Anyone who you reasonably believe is going to resell Scentsy products.
- B. Anyone who does not meet all of the eligibility requirements (see Chapter 1, Section 1).
- C. Anyone in a country where Scentsy is not present to do business (see Chapter 1, Section 6).

Territories

Scentsy does not grant exclusive territories to anyone for selling, recruiting or marketing.

Section 2: AD CONTENT (WHAT?)

It is your responsibility to help safeguard and promote the good reputation of Scentsy through courteous and ethical conduct and practices. Whenever promoting Scentsy’s products or opportunity, you must clearly identify yourself as an Independent Scentsy Consultant. You are responsible for the content of your ads, whether created by you or for you by a third party.

Corporate pricing and packaging

You are allowed to advertise corporate pricing and corporate specials, promotions or programs in any approved marketing channel. You may only advertise the sale of unaltered Scentsy products in their original packaging. You are welcome to share ideas and images related to the display and presentation of Scentsy products.

Personal specials

Personal specials (including discounts, giveaways and other special considerations) may be used as incentives or rewards for Customers and Hosts. You may advertise personal specials only via one-to-one communications in person, email, direct or private message, telephone or direct mail.

Claims

All claims that you make in your advertising must be truthful and consistent with current, official Scentsy literature. Do not make misleading or deceptive claims of any kind.

- A. Products: You may not make any claims regarding the therapeutic or curative properties of any Scentsy products other than those contained in current official Scentsy literature.
- B. Opportunity: All claims related to Scentsy's business opportunity must be truthful and transparent. If you use a hypothetical income example to explain the Compensation Plan or to illustrate potential earnings, you must make clear that the example is hypothetical. Any representation of past, current or future earnings, any lifestyle claims or any hypothetical income examples must: (1) only account for earnings achieved through the Scentsy Compensation Plan; (2) set proper expectations regarding effort necessary to achieve those results; and (3) be accompanied by the most recent average earnings disclosure provided by Scentsy.
- C. Endorsement claims: You may use only Scentsy-approved language or materials when asserting any previous, current or future endorsement of any kind from any entity, including but not limited to government agencies or officials, celebrities or companies.
- D. Political or social claims: You may not make claims regarding Scentsy's position on political or social issues outside of what may be found in official Scentsy literature. Do not use Scentsy's intellectual property (i.e. logos, product images, etc.) in

conjunction with personal statements that are political, social or otherwise controversial in nature.

Inventory on Hand

Advertising your Inventory on Hand (Resalable or not) for sale online (including through social media, online classified sites and online auctions sites) or at any Retail Location is strictly prohibited. You may advertise your participation in a Temporary Event or open house, but may never list, using words or images, specific items you have on hand for cash and carry. (See Chapter 3, Section 3.)

Appropriate content

When you are representing yourself as an Independent Scentsy Consultant, you may not:

- Use rude, offensive, polarizing or vulgar content in any advertising or Scentsy-sponsored online forum;
- Disparage Scentsy, other Scentsy Consultants, Scentsy's products, the Compensation Plan or Scentsy's board of directors, officers or employees.

The determination of inappropriate content is at the sole and absolute discretion of Scentsy.

Naming restrictions

When using the Scentsy name in any social media alias or online marketing tactic (including SEO title tags or meta descriptions), state in full "Independent Scentsy Consultant." You may not use the Scentsy name or derivatives (i.e. Scentz, Scent-See, etc.) in an email address, username or URL address. You may not use Director Team names or names or abbreviations of geographical locations in isolation in URLs without Scentsy's consent. You must use a unique identifier for your Personal Website (PWS) display name and may not use generic terms, such as "shop" or "buy" in isolation. You must be responsive to Scentsy's requests to change any related information in the event of a naming conflict.

Section 3: MARKETING CHANNELS (WHERE?)

The primary channels of marketing are print, web, social and traditional. Each has specific standards, outlined in this section, that apply distinctly to that channel.

Print

- A. Corporate materials: Marketing materials are available for purchase through the Scentsy Family Store or downloaded for free from the **Marketing** tab in the Workstation. These items may be personalized with your contact information (name, email, URL, phone, Title) without prior approval.
- B. Consultant materials: If you produce and distribute your own marketing materials, including apparel, or if you alter corporate materials, your materials must comply with the Style Guide and this Agreement. Scentsy, in its sole discretion, may grant third parties the right to produce customized products for you to promote your business using Scentsy intellectual property. To obtain permission, provide a copy of the Limited License to Reproduce Scentsy Intellectual Property form (IP form) to the third party. The third party must submit the completed form to Scentsy, and receive a signed copy from Scentsy, before they may produce customized goods for you. Scentsy also maintains a list of Licensed Vendors who produce pre-approved products that you may purchase without the IP form. Any customized designs you wish to be produced by a Licensed Vendor must be submitted for approval using the IP Form.
- C. Distribution of materials: If you wish to distribute print materials (fliers, brochures, etc.) at a business, public or government facility (schools, libraries, etc.), you must first obtain permission from that location. You are responsible to follow local and federal solicitation laws.
- D. Signage: Do not display signage including any Scentsy names, trademarks, logos or other intellectual property at a private residence or Retail Location that is visible to passersby and appears as a stock-and-sell location. You may display signage on your vehicle. You may display temporary signage for an open house or a Temporary Event. The determination of whether signage is permanent, visible to the public or suggests a stock-and-sell location is at Scentsy's sole and absolute discretion.

Web

- A. Personal Website (PWS) Subscription: When you enroll as a Scentsy Consultant, you receive a free three-month PWS subscription to facilitate enrollments and online purchases for your Customers. This is the only online channel where sales may take place and the only way to enroll new Consultants with you as their Sponsor. Your subscription will automatically continue beyond the initial free three months for a monthly fee unless you cancel the subscription. You may not alter the branding of the PWS or use your PWS to promote, market or sell non-Scentsy products,

services or business opportunities. You are solely responsible for any content you add to your PWS.

B. Consultant External Websites: You are allowed a maximum of one (1) External Website to brand yourself and promote Scentsy's products and opportunity and a maximum of one (1) Team website to connect with and train your Team. If you wish to develop and operate an External Website, you must register your website through the website registration process.

1. External Website:

- The sole purpose of your External Website must be to refer visitors to your Scentsy PWS and social networking sites that you use to promote Scentsy's products and opportunity (e.g., Facebook, Twitter, Instagram, Pinterest, etc.).
- All orders must be placed through your PWS or Consultant Workstation.
- Your External Website may only promote Scentsy. Subdomains are not permitted.
- You may not monetize your external Scentsy website via outbound links, affiliate programs, Google AdSense or other similar methods.
- An External Website must contain a button redirecting to scentsy.com.
- Your External Website must maintain current images and accurate information.

2. Team website:

- Your Team website may not have links to your PWS or External Website.
- Your Team website must be password protected or available only to a closed group.

C. Blogs: A blog developed for the primary purpose of marketing or promoting Scentsy products or the Scentsy opportunity is considered an External Website and must follow the standards listed in Chapter 3, Section 3. Personal blogs that are developed and maintained primarily for other purposes that also mention Scentsy and/or direct traffic to your PWS or External Website do not need to be registered.

D. Online classifieds, sales and auction sites: You may not list or sell any Scentsy products (Resalable or not) on any online retail store, e-commerce site (such as eBay and Amazon) or online classified (e.g. Craigslist, Facebook buy-sell-trade

pages or yard sale sites). You may not enlist or knowingly allow any third party (Customer, family member, etc.) to sell Scentsy products through these channels. All advertisements listed through these channels must direct Customers to your PWS, External Website or upcoming event as permitted by the rules of that page or website.

- E. Mobile applications: You may not create or distribute a mobile application, or app, to promote Scentsy's products or opportunity. You may optimize your External Website for mobile devices.

Social

- A. Social media: You may use social networking sites (Facebook, Instagram, Pinterest, Twitter, etc.) to promote Scentsy's products and opportunity and to direct your contacts to your PWS or External Website. These sites may not be used to advertise the sale of your Inventory on Hand or for advertising personal specials.
- B. Digital media: You may upload, submit, live stream or publish any Scentsy-related video, audio or photo content that you develop and create as long as it is in compliance with the Agreement. You may not upload, submit, live stream or publish as your own any content received from Scentsy or substantive content (including, but not limited to, trade secrets, event presentations, product concepts, etc.) captured at official Scentsy events or in buildings owned or operated by Scentsy without prior written permission from Scentsy through mediarelations@scentsy.com.
- C. Corporate pages: You may not post your URL or solicit recruits or sales on any corporate Scentsy social media presence page or any social media presence benefiting from Scentsy charitable cause products.

Traditional

- A. Home parties, basket parties and open houses: You may collect orders, have product available for cash-and-carry and offer personal specials at parties and open houses. Home parties and open houses held in a Retail Location must take place outside of normal business hours and may not be advertised to the general public. The Host of your party is eligible to earn Host Rewards and other applicable party incentives and exclusives.
- B. Fairs and shows: You may promote Scentsy's opportunity and collect orders with a promotional display. You may NOT conduct cash-and-carry sales unless the fair or show is taking place at a Temporary Event (see definition in Chapter 6). If you have any questions regarding whether a fair or show would be considered a Temporary Event, email compliance@scentsy.com prior to selling cash-and-carry at that event. If you conduct cash-and-carry sales at a Temporary Event:

- You may only represent and/or sell Scentsy at any event;
 - Your booth must be attended at all times by a Current Scentsy Consultant in good standing;
 - Scentsy does not limit the number of booths allowed;
 - You may not enter into contracts for overlapping events/shows;
 - Scentsy will not be made a party to a contract between you and an event coordinator, nor will Scentsy be liable for any disputes that arise between you and an event coordinator or between you and another Consultant at the event; and
 - You may build up inventory for a Temporary Event as long as you can provide Scentsy with documentation of the event upon request (see Chapter 4, Section 1).
- C. Retail Locations: You may promote Scentsy’s opportunity and collect orders with a Promotional Display. You may NOT offer Scentsy products for sale on a cash-and-carry basis in any Retail Location. If you have ANY questions regarding what is considered a Retail Location, email compliance@scentsy.com prior to selling or recruiting at that location.
- D. Public media: Email mediarelations@scentsy.com before you disclose any information to the public media. If Scentsy requests that you not respond to a media inquiry, or requests that you refer the media to Scentsy to respond, you must comply with such requests.

Section 4: TACTICS (HOW?)

Promotional displays

A promotional display is to generate interest, collect orders and promote the opportunity. A promotional display may not be, or even appear to be, a cash-and-carry sales location. You may not deliver orders to the location of your promotional display.

Search Engine Optimization (SEO)

You may employ only authentic SEO tactics on your External Website and PWS. Authentic SEO is the result of adding genuine value to the online community through

meaningful content you author, conversations you join, relationships you create and improving the ease with which all of these are indexed by search engines. Scentsy may take any action it determines necessary to prohibit the use of deceptive SEO tactics. Deceptive SEO tactics are determined at Scentsy's sole and absolute discretion.

Paid online and social advertising campaigns

Sponsored links, pay-per-click (PPC) ads, Facebook fan pages and banner ads are permitted. When using these tactics, direct people to either your External Website or PWS, which must also be the display URL. All ads must comply with the Style Guide and this Agreement, and must clearly indicate you are an Independent Scentsy Consultant.

Cooperative advertising

Scentsy products and/or the Scentsy opportunity may not be offered in an online or offline advertisement or promotion (such as an in-store product giveaway or a package deal) with a vendor, retail store or business.

Unsolicited mass marketing

Do not transmit unsolicited emails, faxes, texts, direct mail or phone calls to promote Scentsy, its products or the Scentsy opportunity to people you do not know or who have not given you permission to contact them regarding Scentsy. Marketing through periodicals such as phone books, magazines and newspapers is acceptable. The determination of what is considered a periodical, for the purposes of this Agreement, is at Scentsy's sole and absolute discretion.

Fundraisers

If you run a fundraiser of any kind, you must:

- Obtain approval from the individual or entity for which you are raising funds or donations;

- Obtain prior written approval from Scentsy if the subject of your fundraiser is a national tragedy (an event covered by national media);
- Follow through on all promises and agreements made with the entity for which you are raising funds;
- Be able to provide documentation to Scentsy, upon request, showing the fundraising terms agreed upon by you and the fundraising entity;
- Only collect funds through product purchases. You are not authorized to collect cash donations using the Scentsy name without Scentsy's prior written approval; and
- Limit the content of your fundraiser ad to only include: (1) the entity for which you are raising funds, (2) information about the purpose of the fundraiser, (3) details regarding how to participate in the fundraiser and (4) the percentage of Commissions to be donated.

CHAPTER 4: CODE OF CONDUCT

Scentsy Consultants are the cream of the crop! They conduct themselves and their businesses with kindness, honesty, loyalty and good ethics. They contribute more than they take! If this type of culture suits you, read on! If not, this may not be the right company for you ... yet. (*Surely, you'll see the light one day.*)

Bonus buying

Orders must be placed on behalf of Customers and not for the sole purpose of achieving a Title, Rank, incentive, award or Bonus. Orders you place on another Consultant's Account are subject to review for Bonus Buying. You may not purchase anyone's Starter Kit but your own.

Inventory loading

For monthly purchases totaling more than \$1,000, you must be able to certify to Scentsy that you have pending Customer orders in excess of \$1,000 or provide Scentsy with other business reasons why such a purchase is necessary. You must be able to demonstrate that at least 70 percent of your total monthly Personal Retail Volume (PRV) is devised from product sold to Customers outside your Immediate Household or that at least five (5) different Customers outside your Immediate Household have placed

orders each month. You are prohibited from carrying excessive inventory and from encouraging your Downline to purchase and carry large amounts of inventory.

Offering incentives to join

You may not offer, or infer that you are offering, to pay for someone's Starter Kit or other monetary benefits as an incentive to join your Scentsy Team. Working with a Host to enroll and then entering the order from the party they hosted onto their newly enrolled Account is acceptable.

Fraudulent behavior

Deal fairly and honestly with others as a Scentsy Consultant. Any form of fraud will result in immediate disciplinary action by Scentsy.

Disclosures and permissions

You are granted a limited license to use the Independent Consultant logos, copyrights and provided images in communications, including on approved websites, and on items you make for yourself or your Team. No other use of any Scentsy logo name, mark or creative work is permitted. You are not allowed to claim ownership of (or attempt to register as a trademark, copyright or domain name) any words, images, phrases, taglines and/or ideas developed or coined within the Scentsy community.

Use of Non-public Information

You may not use information about Scentsy, or its future plans, to pursue any benefit or advantage for your Account prior to the public announcement by an authorized Scentsy officer through:

- Media press releases;
- Official emails to Consultants;
- Workstation announcements;
- Official Scentsy events (such as Scentsy Family Reunion); or
- Training and Leadership calls.

Announcements at Consultant-sponsored events or the appearance of information on forums, even forums hosted by Scentsy, does not constitute an official announcement.

Conflicts of interest

Leveraging Scentsy's intellectual property, or any contacts (including Customers, Hosts and other Scentsy Consultants) obtained through the promotion of Scentsy's products or opportunity, to benefit another non-Scentsy venture of any kind is strictly prohibited.

- A. Cross Marketing: Promoting other companies or products together with Scentsy's opportunity, or products is strictly prohibited.
- B. Cross Promoting: Attempting to recruit Scentsy Consultants for other direct selling business ventures, either directly or through a third party, and even if Scentsy Consultants proactively contact you about it is strictly prohibited. What constitutes cross promoting is at Scentsy's sole and absolute discretion.
- C. Selling to other Consultants: You may sell authentic Scentsy products to other Scentsy Consultants, but you may advertise items for sale only in one-to-one communication. Scentsy will not be involved in resolving disputes related to your buying from and selling to other Consultants. If you facilitate a meeting or training for other Consultants, you are permitted to charge a reasonable fee to recoup the costs incurred. The following conditions apply:
 - Do not require your Downline to attend or purchase associated materials.
 - Do not consider or treat this as a potential profit stream.
 - Be prepared to share financial books showing the costs of holding the meeting compared to ticket sales.

You may not sell any products or services to other Scentsy Consultants when such products are related in any way to the conducting or maintaining of a Scentsy Account.

Additionally, you are prohibited from leveraging Scentsy assets, websites, events or the network of Scentsy Consultants to sell anything other than Scentsy products to other Scentsy Consultants.

- D. Participating in other direct selling ventures: Scentsy does not encourage it, but you and members of your Immediate Household may be a host or distributor for another direct selling venture (including party plan, network marketing and multilevel marketing), subject to the following conditions:
 - You may not cross market another company with Scentsy's opportunity.

- You may not cross promote, or sell products or services from other direct selling ventures to Scentsy Consultants.
- Because of actual or potential conflicts of interest and the significant damage that may occur as a result of cross promoting, Scentsy may grant the request of your Frontline who seeks to Roll Up to your immediate Upline when the company confirms that you, or someone with a Beneficial Interest in your Account: (1) are in fact a distributor for another direct selling venture, and (2) refuse to terminate the relationship with the other direct selling company.

Cross sponsoring

Enticing a Current Consultant to leave their line of sponsorship and join your Team is strictly prohibited. You may not enroll, or partner with, a former Consultant who was enrolled in a different line of sponsorship, prior to them being eligible for Reinstatement.

Client information

Your client database is to be used solely for promoting Scentsy's products and opportunity and building your Downline. It may not be sold, copied or distributed to any person, Consultant or entity for any reason. Scentsy may, without prior notice to you, use your client database in connection with marketing and sales promotions, the Scentsy opportunity or other Scentsy businesses. All Workstation information and reports are confidential and are classified as proprietary information and trade secrets belonging exclusively to Scentsy.

Altering or tampering with labels and packaging is prohibited

You may not repackage, re-label or alter Scentsy products, nor the packages and labels on Scentsy products you sell. Tampering with labels and/or packaging could be a violation of federal and state laws and may result in civil liability in some circumstances. You may affix a personalized sticker or label with your personal/contact information to each product or product container, as long as you do so without removing or obscuring the existing product labels. If you want to add a personalized sticker or label to a Warmer, for example, it may be affixed only to the bottom of the Warmer.

Targeting other direct sellers

You may not consciously target the sales force of another direct sales company for recruiting purposes. You may not solicit sales representatives from another direct sales company in ways that would cause these representatives to violate the terms of their contracts with their companies. Should you engage in these activities, you risk being sued by these other direct sales companies, and if any lawsuit, arbitration or mediation is brought against you, Scentsy will not pay any of your defense costs or legal fees, nor will Scentsy indemnify you for any judgment, award or settlement.

CHAPTER 5: TERMS AND CONDITIONS

As promised, this chapter is chock-full of legalese! It may require a bit of extra effort and concentration, but each section is very important, so be sure to take the time to read it and understand it. Here we'll define your relationship with Scentsy, explain enforcement proceedings and take measures to protect both you and Scentsy under the Agreement.

Section 1: INDEPENDENT CONTRACTOR

You must read, understand and agree to all of the terms, conditions, Standards and procedures in this Agreement and ensure that you are operating in accordance with all federal, state, county and municipal laws, ordinances, rules and regulations.

You are not an employee, agent, partner, legal representative or franchisee of Scentsy. You are an independent contractor of Scentsy, Inc. You will not be treated as an employee of Scentsy for federal or state tax purposes. You are solely responsible for paying local, state and federal taxes on income generated through your Scentsy Account.

Section 2: DSA CODE OF ETHICS

Scentsy is a proud member of the Direct Selling Association (DSA). You must understand and comply with the DSA Code of Ethics in all aspects and encourage all members of your Downline to do the same.

Section 3: ENFORCEMENT OF THE AGREEMENT

Right to enforce

Scentsy has the right to enforce compliance with the Agreement. If Scentsy chooses, for whatever reason, not to enforce compliance in one or more instances, that does not mean Scentsy waives its right to enforce compliance with any portion of this Agreement, now or in the future.

Disciplinary action

If you are found in violation of the Agreement — or if Scentsy determines that you have engaged in or are engaging in any illegal, fraudulent, deceptive or unethical business conduct — you may be subject, at Scentsy’s sole and absolute discretion, to disciplinary action, which could include the cancellation of your Consultant Account.

Scentsy may withhold all or part of your Bonuses and Commissions while investigating any potential or alleged misconduct. If your Scentsy business is cancelled for disciplinary reasons, you are not entitled to any Commissions or Bonuses withheld during the investigation period. Scentsy may institute legal proceedings for monetary and/or equitable relief at its sole and absolute discretion.

Compliance cases, including unreported violations, are private matters between Scentsy and the Consultant(s) involved and are to be held strictly confidential. Discussing or sharing details of specific compliance cases, whether it is your case or someone else’s, in public forums — including group, team and personal pages — without Scentsy’s consent is strictly prohibited.

Beneficial Interest

If anyone with a Beneficial Interest in your Account (which includes, but may not be limited to, members of your Immediate Household) engages in activities and behaviors that violate the Agreement, your Account is subject to disciplinary action.

Compliance with the Agreement

Scentsy determines, at its sole and absolute discretion, whether your activities and behaviors are deceptive, misleading, dishonest or out of compliance with the Agreement.

Section 4: CHANGES TO THE AGREEMENT

Scentsy, at its sole and absolute discretion, reserves the right to update or amend any portion of the Agreement. You will be notified of such changes 60 days in advance

through your Consultant Workstation. It is your responsibility to stay informed of the latest terms of the Agreement. By electronically accepting this Agreement, continuing in your participation as an Independent Consultant or by accepting any Bonus or Commission, you accept and agree to any changes that are made now or in the future.

Section 5: DISPUTE RESOLUTION

Grievances and complaints

If you have a grievance or complaint with another Consultant related to your Scentsy Account, you may report the grievance or complaint in writing to Compliance, who will review your claims.

Alternative Dispute Resolution and Class Action Waiver

Any claim or grievance you have against Scentsy of any kind — including, but not limited to, economic losses, personal injury or property damage — is subject to mediation at Scentsy's corporate address using a neutral mediator of Scentsy's choosing. In the event that you and Scentsy are unable to resolve the dispute through mediation, you and Scentsy agree to resolve the dispute in final and binding arbitration in Meridian, Idaho. You agree not to file suit against Scentsy, any of its affiliates, subsidiaries, officers, directors or employees.

You also understand and agree that you will not have the right to participate in a representative capacity or as a member of any class of claimants pertaining to any claim subject to arbitration. There is no right or authority for any claim you have against Scentsy to be arbitrated on a class action basis or on any basis involving claims brought in a purported representative capacity on behalf of the general public or on behalf other persons or entities similarly situated. Claims brought against Scentsy may not be joined or consolidated with claims brought by anyone else.

The arbitration will take place before a single arbitrator (hereafter, "Arbitrator") agreed upon by you and Scentsy. In the event that you and Scentsy are unable to reach an agreement on an Arbitrator, you and Scentsy will each select an arbitrator, and the two of them will select an Arbitrator residing in Ada County, Idaho, who will arbitrate the dispute. The arbitrators selected by you and Scentsy will have no further involvement in the arbitration. The party initiating arbitration will do so by submitting a written demand for arbitration to the other party. The receiving party must respond within 14 days by providing the claimant a list of proposed arbitrators. Within seven (7) days thereafter, you and Scentsy must either agree upon an Arbitrator or select an arbitrator for the purpose of appointing the Arbitrator. The dispute will be subject to rules of arbitration as determined by the Arbitrator.

You agree that in the event of any arbitration or litigation, you and Scentsy will each bear your own costs and attorneys' fees regardless of who, if either you or Scentsy, is deemed the prevailing party. The foregoing notwithstanding, if either you or Scentsy commences an action in a court of law or equity and the responding party successfully moves such court to compel arbitration, the party who moved for the order compelling arbitration shall be entitled to recover its reasonable cost and attorneys' fees incurred on the motion to compel from the other party. The decision of the Arbitrator will be final and binding on you and Scentsy and may be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate survives any termination or expiration of the Agreement.

Nothing in this Agreement prevents Scentsy from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to protect Scentsy's interest prior to, during or following the filing of any arbitration or other proceeding.

Any claim must be brought in arbitration within one (1) year from when the claim arises. By accepting this Agreement, you agree that no other statute of limitation applies.

If any provision of this Alternative dispute resolution section is unenforceable, only the portion that is unenforceable shall be stricken, and all of the remainder of this Alternative dispute resolution section shall be given full force and effect.

Governing law, jurisdiction and venue

Jurisdiction and venue of any dispute, whether or not subject to arbitration, shall reside in Ada County, Idaho. The laws of the state of Idaho govern all disputes in arbitration.

Section 6: GENERAL LEGAL TERMS

Survivability

It is specifically intended that all provisions, which by their terms are intended to survive the termination or cancellation of the Agreement, including, but not limited to, Chapter 3, Chapter 4 and Chapter 5 survive the termination of the Agreement.

Damages following Account Cancellation

You understand and agree that if you engage in any conduct prohibited by this Agreement (including, for example and not by way of limitation, selling or knowingly allowing another person to sell Scentsy products on an online retail store, recruiting Scentsy Consultants for other direct selling business ventures or disparaging Scentsy or Scentsy products) following termination or cancellation of your Independent Consultant Account that Scentsy will suffer damages that may be difficult or impossible to quantify. Therefore, you understand and agree that Scentsy has the right to seek and obtain injunctive relief, without the requirement of posting a bond, upon any violation or threatened violation of any of the terms of this Agreement, and you further agree that Scentsy has the right to recover the greater of Scentsy's actual damages or the retail value of all Scentsy products provided to you and to your Customers over your final 12 months as a Current Consultant.

Indemnification

You understand and agree that if you engage in any conduct prohibited by the Agreement, including, for example, and not limited to, uploading a video that infringes the copyright of a third party or disparaging a Scentsy competitor, such conduct may cause a third party to sue Scentsy. You understand and agree that if Scentsy is ever a defendant in any lawsuit related to anything you have done (or anything you did not do when you had a legal obligation to act), whether your action (or inaction) or the lawsuit occurs before or after cancellation or termination of your Independent Consultant Agreement, you will defend Scentsy in any such lawsuit and indemnify Scentsy for any damages, costs, attorneys' fees and losses of any kind incurred in connection with such lawsuit.

You are fully responsible for all verbal and written statements made regarding Scentsy, its products and the Compensation Plan that are not expressly contained in official Scentsy materials. You agree to hold Scentsy, Scentsy Directors, officers, employees and agents harmless from any liability resulting from unauthorized representations or actions by you. This provision shall survive the cancellation of the Consultant Agreement.

Limitation of liability

In the event that Scentsy is found liable to you for any reason, Scentsy's maximum liability is the lesser of \$7,500 or the aggregate of your total non-PRV purchases in the 12 months immediately preceding when your claim arose. In no event will Scentsy be liable to you for consequential or punitive damages, business losses, lost profits or any other indirect damages of any kind or description.

Consent to freely use information and ideas

By entering into this Agreement, you authorize Scentsy to use your name, testimonials and/or likeness in Scentsy advertising or promotional materials with no compensation. Additionally, you authorize the use and reproduction of any and all photographs or videos taken by or supplied to Scentsy and further consent to the use and reproduction of any quotes, testimonials, stories or conversations on social networking media for any print or electronic publicity, marketing or promotional purposes without compensation.

Scentsy does not compensate you or others for submissions of business, product or creative ideas or materials. Unless otherwise specified in writing, this policy also applies for submissions made as part of any Scentsy contests, promotions or incentives. All submissions and all contest, promotion or incentive submissions are the property of Scentsy. Scentsy is not obligated to keep any information confidential and may use or disclose any information for any purpose without further permission from you and without any payment to you.

Severability

If any provision of the Agreement is held to be invalid or unenforceable, such provision shall be reformed only to the extent necessary to make it enforceable and the balance of the Agreement will remain in full force and effect.

Your personal information

Scentsy makes reasonable efforts to keep your personal information — including, but not limited to, your contact information and Commission and Bonus payments — protected from loss, misuse, unauthorized access, disclosure, alteration or destruction. Such information is provided to Scentsy personnel only on a need-to-know basis. Some personal information, including your contact information, will always be available to your Upline. Scentsy will provide personal information in response to government inquiries, subpoenas and other legal requests. Disciplinary actions may also be disclosed to your Upline and Downline.

Delays

Scentsy is not responsible for business delays due to circumstances beyond its reasonable control, such as the actions or failures of third parties, labor strikes and difficulties, riots, war, fire, natural disasters, death, curtailment of a party's source of supply or government decrees or orders.

Term

This Agreement will be valid for one year from the date you join Scentsy and will automatically renew for subsequent one-year periods unless you or Scentsy cancel the Agreement according to the terms of Chapter 1, Section 5 of the Agreement.

Integration

This Agreement represents the entire Agreement between you and Scentsy concerning the subject matter contained herein and supersedes any oral agreements or promises. In the event that the terms and conditions of this Agreement conflict with the terms and conditions of any other written agreement between you and Scentsy, the terms and conditions of this Agreement shall control. In the event the terms and conditions of this Agreement do not conflict with the terms and conditions of any other written agreement between you and Scentsy, the terms of both agreements will be fully effective and enforceable. Any modifications to this Agreement must be in writing and agreed upon according to Chapter 5, Section 4 of this Agreement.

CHAPTER 6: DEFINITIONS

Account

Scentsy's record of your personal information, transactions and all other activities associated with your official dealings as an Independent Scentsy Consultant. Your Consultant Account must be Current to participate as and enjoy the rights of an Independent Scentsy Consultant.

Account Cancellation

The closure of a Consultant's Account. Cancellation may be either voluntary, involuntary or due to inactivity.

Active

An Account status achieved when you earn at least 200 points in PRV in one calendar month. Activity, or being active, in at least one month during any consecutive three-month period is a requirement for remaining Current.

Agreement

The contract between Scentsy, Inc., and you, the Independent Consultant, inclusive of the Scentsy Standards (Chapter 1, 3, and 4), the Compensation Plan (Chapter 2) and the Terms and Conditions (Chapter 5).

Beneficial Interest

Any present or future interest of whatever kind or nature (including without limitation a financial interest) held by any person in your Account. You, your spouse and members of your Immediate Household have a Beneficial Interest in your Account.

Bonus

The compensation paid according to your PRV, Rank, Frontline's Title and the Generation of your Downline Directors. Bonus can include a percentage of the following Volumes:

- A. PWV
- B. Frontline TWV
- C. Director Generation TWV
- D. An additional 5 percent of PRV when a Consultant achieves 2,000 PRV or more during a given month

Commission

The compensation for your personal sales of commissionable products. As an Essential Consultant, you receive 20 percent of your PRV in Commission. As a Certified Consultant or higher Title, you receive 25 percent of your PRV in Commission.

Consumable

A product that is used up or depleted after it has been used for a period of time. For example, a Scentsy Bar is consumable, but a Scentsy Warmer is not.

Current

If you are active for one or more months within the most recent three-month period, you are Current and therefore eligible to place orders, receive Commissions and retain Downline. You can be considered Current even during months when you are not active. If you are not Current, your Account will be cancelled. You are no longer Current once your Account is cancelled.

Customer

An individual who purchases Scentsy products from you, or who has shown interest in the Scentsy product or opportunity by subscribing to your communications or initiating or accepting contact with you. This might include, but is not limited to, guests at a home party, Customers at a Temporary Event who have entered or approached your booth or someone who “liked” your Scentsy-dedicated Facebook page.

Downline

Any Consultant(s) that you sponsored and the Consultant(s) they sponsored and so forth, including all Levels and Generations.

Durable

A long-lasting product that is not used up or depleted in its lifetime. For example, a Scentsy Warmer is Durable, but a Scentsy Bar is not.

Exchange

If you (or your Customers) are dissatisfied with a product, you may request substitution for a like product. What constitutes a like product is at Scentsy's sole and absolute discretion. Certain products are not eligible under the satisfaction guarantee.

Extenuating Circumstances

Factors that have negatively affected your ability to conduct normal activities as a Scentsy Consultant as determined at Scentsy's sole and absolute discretion.

External Website

A website developed and maintained by you and officially registered with Scentsy for marketing Scentsy products and the opportunity. You are limited to one (1) External Website.

Frontline

All Consultants on your first Level either sponsored by you or as the result of a Roll Up.

Generation

The arrangement of all Directors and their Teams in your Downline.

Group

Your entire Downline.

Group Wholesale Volume (GWV)

The sum of the Personal Wholesale Volume (PWV) of all members in your Group.

Host

An individual, typically a non-Consultant, who participates in the facilitation of some or all aspects of a party, including guest invitations, location, activities, etc. A Host may receive certain rewards or benefits for hosting a party that results in a qualifying order.

Immediate Household

Heads of households, their spouses or significant others and dependent family members residing together.

Inactive

An Account status resulting when 200 points in PRV is not achieved during a single month. Inactivity, or being Inactive for three consecutive months, results in an Account Cancellation.

Inventory on Hand

Your supply of authentic Scentsy products that you previously ordered, physically stored or have in your possession.

Level

Each Consultant sponsored into your Downline, whether by you or another Consultant in your Downline, is organized into a structure that is based on layers of sponsorship. A Consultant's Level to you is determined by the number of Sponsors, including only Current Consultants, between you and that Consultant.

For example:

You are always Level 0 in your Group.

The Consultants you sponsor are your Level 1, or Frontline. The Consultants your Level 1 sponsors are your Level 2.

The Consultants your Level 2 sponsors are your Level 3, etc.

Lifetime PRV (LPRV)

The sum total of all Personal Retail Volume (PRV) you have accumulated on your Account from your enrollment date to the present date. LPRV is not lost or reset as a result of an Account Cancellation.

Non-public Information

Any information related to Scentsy that has not been announced publicly by Scentsy. This includes, but is not limited to, information about new products, processes, equipment, territories or sales areas, business changes, products or product lines, personnel, intellectual property and promotions.

Personal Retail Volume (PRV)

The point value of commissionable products.

Personal Wholesale Volume (PWV)

75 percent of Personal Retail Volume (PRV).

Principal Member

Any director, officer, executive, sole proprietor, general partner or owner of 10 percent or more of a business entity who conducts sales through a direct sales channel, or anyone acting at the direction of a principal of another direct selling company. This does not include being an independent consultant or representative with another direct sales company.

Product Credit

An amount, equivalent to a U.S. dollar, which can be added to your Account and redeemed for product purchases. Also, a payment type that may be used on an order if there is a positive Product Credit balance.

Rank

A monthly qualification used to determine your rate of compensation. You will begin each month with the Rank of Essential Consultant, unless you have previously qualified for a Rank of Certified Consultant or higher (in which case, you will begin each month with the Rank of Certified Consultant). Your ending Rank each month is determined by the Rank qualifications you achieved during that month.

Region

Countries that Scentsy has grouped together for sales and marketing purposes.

Reinstatement (*Welcome Back!*)

The reactivation of a cancelled Account with a Title of Essential or Certified Consultant, depending on the Lifetime PRV of the Account. Reinstated Accounts may choose any Sponsor. Downline are not restored to a reinstated Account.

Replacement

If an item that you (or your Customers) ordered arrives damaged, is defective or becomes defective, you may request a new product (must be exact for exact) for any products eligible under the applicable product warranty.

Resalable

Products and sales aids that meet the following conditions:

- The product is unopened and unused;
- Packaging and labeling has not been altered or damaged and is in like-new condition such that it is commercially reasonable to sell the merchandise at full price; and
- The product is currently available for purchase through Scentsy, including Scentsy Family Store, unless otherwise excluded. Personalized items are not considered Resalable.

Restoration

The reversal of an Account Cancellation due to Inactivity. Your Downline and Title are restored to their state at the time of Account Cancellation.

Retail Location

An establishment, including its common areas, where the sale of goods or services occurs as a primary objective (determined at Scentsy's discretion) on a perpetual or regular basis (excluding Temporary Events). A mall, including its common areas, is a Retail Location. Fairgrounds or convention centers whose primary objective is events, not concession stand sales, are NOT Retail Locations. A private residence is NOT a Retail Location unless otherwise licensed for the sale of goods by its local municipality. The determination of what is considered a "common area" is at Scentsy's sole and absolute discretion.

Roll Up

When your Account is cancelled, or if you elect to lock your Account into a non-sponsoring Account, your Downline moves up one Level and becomes your Sponsor's Frontline.

Sponsor

Your immediate Upline who is a Current Consultant.

Starter Kit

A selection of training materials, demonstration products and business supplies that you are required to purchase upon enrollment (unless you reside in North Dakota).

Suspension

The temporary removal of your rights as an Independent Consultant. Suspension can be voluntary or involuntary.

Stewardship

Certain members of your Downline, determined by Titles, Level and Generation, for whom you have the responsibility or duty to support.

Tax ID

A unique identifier assigned to you as an individual or to your business entity for tax purposes. A legitimate Tax ID belonging to the accountholder is required for all Accounts. One Tax ID may not be listed on more than one Account.

Team

You and all Consultants in your Downline, excluding Directors and their Downline.

Team Wholesale Volume (TWV)

The sum of the Personal Wholesale Volume (PWV) of all Consultants on your Team.

Temporary Event

State and county fairs and other legitimate events that: (1) have a clear beginning and end date, (2) are not held in a Retail Location, (3) do not span more than 30 days, (4) include multiple vendors and (5) are put on by a third party not you or Scentsy. This excludes most farmers' markets, flea markets and trade days. The determination of whether an event is "legitimate" is at Scentsy's sole and absolute discretion. The span of an event is not determined by the number of days it is open for business, NOR by the number of days that you participate in the event, but by the total number of days between the beginning date and the end date. For example, an event that is held every Friday and Saturday between May 1 and June 30 spans 61 days and would NOT be considered a Temporary Event.

If your event does not meet all the Temporary Event criteria, you may compare your event to the following criteria required to be permitted to participate with cash and carry at an event:

- The event must be within 50 miles (80 kilometers) of your home;
- The event may not be in a retail location;
- There must not be a contract with the temporary event prior to the day of the event; AND
- The event must require all vendor booth displays to be set up and taken down every day of the event.

If you have questions about the small market exception or want to know if your event meets the exceptions, please email compliance@scentsy.com.

Title

The highest Rank you have ever achieved. Three exceptions include:

- As a Director, if you are unable to meet your minimum monthly Volume requirements for a consecutive three-month period, your Title will change to Director (Q).
- When your Title is Director (Q), if you are unable to meet your minimum monthly Volume requirements for a consecutive three-month period, your Title will change to SuperStar Consultant.
- If your Account is cancelled and subsequently reinstated, your Title will be Essential or Certified Consultant based upon your Lifetime PRV.

Upline

This includes the Consultant who sponsored you, their Sponsor and so forth.

Volume

The amount of sales generated by your Account reflected as points (PRV, PWV, TWV, etc.).

